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MULTISTATE TAX COMMISSION

Resolution No. 00-13

**Resolution Supporting the Amendment of the Railroad
Revitalization and Regulatory Reform Act of 1976 (4-R Act)**

WHEREAS, the Railroad Revitalization and Regulatory Reform Act of 1976 (4-R Act) was intended by Congress to prohibit the excessive rates of taxation levied on railroad property by States in comparison with other commercial and industrial property; and

WHEREAS, the Federal Courts of the United States have interpreted the 4-R Act to encompass far more than originally intended by creating a privileged class of taxpayers who may avoid the traditional state or local judicial and administrative review process required of all other taxpayers; and

WHEREAS, these decisions substitute the federal courts for state and local assessment review bodies and make it difficult for local governments and school districts to determine their tax base or to receive even preliminary payment of taxes until years after the taxes are due; and

WHEREAS, railroads and all taxpayers are provided protection by the United States Constitution; and

WHEREAS, such other industries as natural gas pipelines, electric utilities, and telecommunications have either actively sought or expressed an interest in obtaining federal legislation extending the privileges of the 4-R Act to themselves and will continue to do so as long as the 4-R Act exists in its present form; and

WHEREAS, federal court jurisdiction over 4-R Act cases has been seriously undermined by recent decisions of the United States Supreme Court and has led to conflicting decisions by lower federal courts on the jurisdictional issue; now, therefore, be it

RESOLVED, that the Multistate Tax Commission respectfully urge Congress to repeal the grant of federal jurisdiction over 4-R Act cases; and be it further

RESOLVED, that the Multistate Tax Commission will work diligently during future Congresses to obtain introduction and enactment into law legislation repealing the federal jurisdiction over 4-R Act cases.

Adopted this 28th day of July 2000 by the Multistate Tax Commission.